

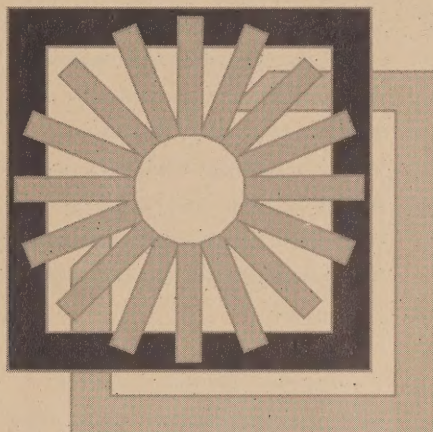
CA20N
EV190
-1992
R28

Government
Publications

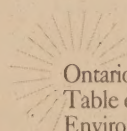


3 1761 11890904 3

RESTRUCTURING FOR SUSTAINABILITY



HIGHLIGHTS



Ontario Round
Table on
Environment
and Economy

Table ronde
de l'Ontario sur
l'environnement
et l'économie

SEPTEMBER
1 9 9 2

EXECUTIVE SUMMARY

If Ontario is to prosper, it will have to restructure for sustainability, reshaping its economy to reflect environmental costs and values. Traditionally, such costs have not been included in analyses of products, services, or in the overall economy. But all products and services — from computers to tourism — have an environmental component. Moreover, traditional responses to environmental problems — react and cure strategies — are no longer adequate. It is essential now to anticipate and prevent obstacles to sustainable development.

Moving to a greener economy will have different consequences for different areas, sectors, and levels. These can be borne, if they are shared fairly and as long as there are plans and programs to deal with the adjustments that will be necessary.

Restructuring for sustainability will involve everyone: it requires companies to use and manufacture more efficient and innovative goods, involving fewer resources, and offering better value. It means that government is, and will continue to be, held to higher environmental standards in its energy consumption and purchasing policies. It means that individuals have to recognize that the products they buy and use have environmental consequences.

But if companies are to make better products, government is to meet the highest environmental standards, and people are to buy and use wisely, they must have accurate, reliable, and up-to-date information on which to act. At present, however, a great deal of information is not standardized, readily available, or being shared. Government and business must not only utilize better information from many sources, they themselves must generate and disseminate more useful, detailed information related to the environment, whether (in government) through the Legislature or (in business) through annual reports. Once produced, data must be widely disseminated.

If we are to shift to a more environmentally responsive economy, there is a fundamental need to change the way decisions are made. Improved decision-making, however, depends on an environmentally literate society, one in which education — formal and informal — makes groups and individuals aware of environmental issues.

Today, people expect to have a say in decisions that affect them, at home or in the workplace. Therefore, decision-makers must ensure that there is broad consultation with all interested parties before environment-related decisions are made.

The round table concept is an important element in the consultation process. It is a forum in which all interests are represented in a non-hierarchical setting (thus, the "round" table) so that people, even those with vastly divergent views and interests, can come together to reach consensus on a vital issue that affects all people and all interests.

Consensus-building, through a round table or other structure, is not decision-making, but it is a useful prior step that offers parties an opportunity to define areas in which they can agree, and to resolve differences, to the greatest degree possible, in areas in which they cannot. A round table may be broadly based, as in the case of the federal and the various provincial round tables in Canada, or it may be created within a single workplace.



A real consensus has been reached when there is unanimous agreement and the decision is supported by all those who participated in it. However, consensus can also be said to have been reached if there is no fundamental disagreement with the decision or if general agreement has been reached, with the rider that some areas need further consideration.

While all participants may not agree with all elements of the decision, they are willing to live with the decision as being preferable to the alternative.

The Ontario Round Table on Environment and Economy was both a pioneer and an example of what is becoming the traditional round table. Its members were drawn from all those with a stake in its conclusions and recommendations: government, business, the native community, industry, academia and environmental groups. An earlier basic

document, the Challenge Paper, which described the group's strategy development process, was developed by the Round Table and set the stage for a series of policy and research papers; sectoral task forces; a Native People's Circle; and involvement by local round tables.

Task forces were established in agriculture and food, energy and minerals, forestry, manufacturing, transportation and urban development, and commerce. They were asked to report to the Round Table on how, according to each sector, work could begin on sustainability. Drafts of each task force were reviewed by key groups and parties.

The Round Table also established a Native People's Circle to ensure that it reflected an Aboriginal perspective — thereby acknowledging that the efforts of Aboriginal people to preserve and apply their values are an important aspect of moving toward sustainability.

Broader-base consultation, improved information, and changes in decision-making can lead to the sustainable development necessary for Ontario's economic well-being. There is one other factor in achieving that goal: accountability.

Government can be held accountable in the Legislature and, more broadly, at the ballot box. Companies can establish environmental committees as part of their board structure or workplace round tables, in order to ensure that operations are environmentally responsible.

Ultimately, of course, we are individually accountable for our decisions and activities as they affect a sustainable development environment and we are accountable, not only to each other, but to future generations.

RECOMMENDATIONS

RECOMMENDATIONS FOR GREENING ONTARIO'S ECONOMY

The Round Table believes the following actions are needed to ensure that sustainability is built into all the economic decisions in Ontario, from daily purchases to long-term planning.

1.1 High Performance Standards

A. The Round Table recommends that the Government of Ontario set as its target reducing the economy's energy intensity — the amount of energy used for each constant dollar of real gross domestic product — by three per cent per year for the next 10 years. Government, business, labour, communities, and other stakeholders should work together to create ways of ensuring that a target of a three percent decline in energy used per unit of output is met in each sector. This will be a key component of overall sustainability strategies for sectors and government ministries. Similar efficiency targets should be established for other resources.

B. The Round Table recommends that the Government of Ontario end the release of persistent bio-accumulative toxic substances by the year 2000; by the end of 1994, each sector should have developed plans to meet this goal.

C. The Round Table recommends that the Government of Ontario act to protect Ontario's land base by preparing a provincial policy framework for sustainable development. In particular, it should protect agricultural and environmentally sensitive lands such as biological or wildlife habitats and heritage lands. This could be done by:

- setting provincial policies, standards and guidelines for municipalities;
- undertaking planning on an ecosystem basis;
- encouraging more intensive development within urban areas; and requiring municipalities to incorporate this into long-term land-use and transportation plans;
- introducing new mechanisms to preserve those lands most under stress;
- undertaking mapping programs to identify sensitive and protected areas; and
- ensure that financial programs do not encourage urban sprawl.

1.2 Full-Cost Pricing and Market Incentives

A. The Round Table recommends that, working with stakeholders, the Government of Ontario review its tax policies and other financial and economic programs, to ensure that all incentives and disincentives support sustainability, in particular full-cost pricing of use of resources.

B. The Round Table recommends that municipalities move to pricing water at full cost, in order to improve efficient use and reduce demand for infrastructure and service. Two interim steps should be taken by municipalities as they move to close the gap between the cost of water and the price charged for it: pilot projects should be conducted on metered full-cost pricing of water; and non-payable statements should be sent to consumers to make them more cost-aware. Based on the success of the pilot projects, full-cost pricing should be introduced for water use in housing, commerce, industry, and power generation. Such pricing should take into consideration issues of social equity, industrial competitiveness, and other factors.

C. The Round Table recommends that the Government of Ontario evaluate a system of financial incentives to encourage sustainability. This should include: fees, subsidies, deposits/refunds, performance bonds, and tradable emission permits. This should be done jointly with all stakeholders and be as financially neutral as possible — with little or no additional overall costs to government, business, communities, or households.

1.3 Research

The Round Table recommends that the Government of Ontario should encourage and support partnerships among government, industry, employees, universities, communities, and other stakeholders. Partners should redirect existing funds from unsustainable activities to the areas of:

- technological innovations for sustainability;
- pre-competitive research of sustainable products and processes;
- research pilot projects and case studies; and
- evaluation of professional and technical skills needed for a green economy.

1.4 Adjusting to Sustainability

The Round Table recommends that government, business, labour, and communities plan jointly to upgrade traditional industries in order to make them sustainable and develop new industries that have a minimally negative or even a positive effect on the environment. Such planning should focus especially on skills upgrading and training of current workers. The Government of Ontario should set this as a goal in moving to sustainability, in order to improve the well-being and minimize the losses experienced by stakeholders.

1.5 Infrastructure

A. Built Infrastructure

The Round Table recommends that full-cost pricing (discussed in recommendation 1.2.A and 1.2.B) and financial incentives (1.2.C) be employed to make the best use of existing water, sewer, power, transportation, building, and other current infrastructure and as the basis for assessing the need for new or additional infrastructure.

The Round Table recommends that the Government of Ontario require creation of urban forms that will result in reduced urban sprawl and more efficient public

transit. This should also stimulate new development and export opportunities for new transportation technologies and techniques.

In conjunction with telecommunications suppliers and users, the Government of Ontario should make joint plans for investing in the electronic infrastructure of the future. This could include pilot projects on telecommuting (using computers to work at or closer to home) and expansion of public and private-sector services to rural and remote communities.

B. Natural Features

Natural features are as important as built infrastructure to Ontario's ecology and economy. The Round Table recommends that restoration and preservation of natural features include:

- initiatives by government and business to restore and preserve resources that are the bases of the forestry, mining, tourism, and other industries;

- completion by the Government of Ontario of the selection process for representative wild areas, and, by the year 2000, the development of mechanisms for protecting these areas; and
- establishment by the Government of Ontario, by 1994, of explicit quantitative objectives for biodiversity and wildlife habitat.

1.6 Investment

- A. The Round Table recommends that all public corporations be required to report annually on their compliance with environmental laws, regulations, standards, and guidelines for emissions to air, water and land and their generation and management of hazardous wastes. Documents for potential investors should provide all relevant information on compliance with environmental laws and regulations and on potential environmental liabilities. These documents also should describe sustainability objectives and the actions to be taken to achieve them.

- B. The Round Table recommends that the Government of Ontario encourage the flow of investment into sustainability ventures by allowing accelerated capital depreciation in its tax system. Qualifying criteria should be based on the six principles set out in this strategy.
- C. The Round Table recommends that the Government of Ontario redirect money from less sustainable programs in order to offer more support for "green" technologies.

1.7 Aboriginal Enterprise

- A. The Round Table recommends that the Government of Ontario and other stakeholders respect and support efforts by Aboriginal communities to preserve their culture and develop their economies by:
- supporting the development of community sustainability plans for their local economies;
 - developing programs for culturally appropriate training and employment and to preserve land-based ways of life; and

- creating joint ventures and co-management agreements in resource sectors.

- B. The Round Table recommends that "EcoEnterprise" courses be jointly created and offered by Aboriginal communities, business, universities, and colleges to develop Aboriginal expertise in economics, small business, and ecology. These courses should be based on Aboriginal knowledge of natural systems and aimed at supporting economic success in sustainable resource-based enterprises in Aboriginal communities.

RECOMMENDATIONS FOR IMPROVING DECISION-MAKING:

The Round Table believes the following actions are needed to ensure that more informed decisions for sustainability are made by individuals and organizations.

2.1 Information System

The Round Table recommends that the Government of Ontario develop an integrated information system, incorporating indicators of sustainable development, to measure progress towards sustainability. Such a system should meet the needs for more thorough, reliable methods of

reporting on sustainability and for co-ordinated, relevant collection and measurement of data. As far as possible, this should be done using existing resources and co-operation among government ministries and agencies.

2.2 Consumer Information

The Round Table recommends that Ontario consumers be provided with product labelling and other forms of information about the environmental impact and sustainability of product and services. Where possible, this step should be co-ordinated with other jurisdictions.

2.3 Aboriginal Knowledge

The Round Table recommends that the Government of Ontario explicitly recognize and respect the ways in which Aboriginal knowledge can help Ontario move towards sustainable development. Therefore, the Government of Ontario, educators, the academic community, and other stakeholders should work with Aboriginal people to integrate their knowledge with scientific knowledge, as appropriate, in education, training, and decision-making.

2.4 Corporate Disclosure

A. The Round Table recommends that industrial sectors and regulatory agencies jointly develop guidelines for voluntary corporate reporting and disclosure by 1993. This information should include, but not be limited to:

- compliance with environmental laws and standards;
- performance, measured against accepted sustainability indicators for the given industry;
- use of materials (virgin, recycled, toxic); and
- the efficiency with which resources are being used.

Such information should be part of corporations' annual reports to their shareholders.

B. The Round Table recommends that business be required to record and release inventories of toxic contaminants disbursed into air, land, and water, as called for in the National Pollution Reduction initiative.

2.5 Performance Standards

A. The Round Table recommends that all industrial sectors develop environmental codes of practice, by which their members must abide. This can be achieved through consensus building among stakeholders. Such codes should include:

- efficient use of resources;
- policies on air, water, and land pollution;
- policies on waste management; and
- information being provided to employees, customers, and the local community.

Chief executive officers should be required to sign these codes of practice as a condition of company membership in their associations. Such codes should be in place for large businesses by 1995 and for all small businesses by 1998. Joint employee/management committees should be set up to review corporate sustainability performance.

RECOMMENDATIONS FOR MOVING FORWARD TOGETHER

- B. Before making funding commitments, all businesses should analyze major capital projects for sustainability. Towards this end, professional associations and firms should develop standard sustainability analyses to guide companies in carrying out this process.

2.6 Information Sharing

The Round Table recommends that companies establish mechanisms to share information with employee and community groups on the environmental effects of their local operations.

Industry associations should encourage companies to share non-confidential information on:

- “clean” process and product technology;
- successful waste management practices; and
- methods to increase efficiency.

2.7 Education

The Round Table recommends that educators, government, business, unions, and professional associations work together to develop a provincial framework for education in sustainability, one that crosses traditional disciplines.

A. Formal Education

Within this framework, courses, curricula, and materials should be developed for schools, colleges, and universities. The principles of sustainable development should be incorporated into existing courses. Specific courses in sustainability could be added to the requirements for all those seeking diplomas and degrees in engineering, technical, and other professions, including communications, journalism, and teaching.

B. Informal Education

Information and education programs on sustainable development should be developed and delivered to and through consumer, workplace, community, and other organizations, and through the media.

The Round Table believes the following actions are needed to ensure Ontario citizens full and meaningful roles in restructuring for sustainability.

3.1 Building Consensus

The Ontario Round Table recommends that the Government of Ontario continue to provide a forum for building consensus on sustainability among all major stakeholders.

3.2 Public Input

The Round Table further recommends that the Government of Ontario ensure opportunities for the broadest public input, within reasonable timelines, when it is preparing to set standards, pass regulations, or create guidelines.

3.3 Common Future Foundation

The Round Table recommends that the Government of Ontario, along with Aboriginal governments, industry, and labour, jointly and voluntarily plan and invest in a Common Future Foundation. Such a foundation should be designed to encourage and support new partnerships and new techniques that result in sustainability. In particular, it should be the venue for

demonstration programs and community projects. For example, communities might be challenged to make proposals for projects that demonstrated local sustainability.

3.4 Local Round Tables

The Ontario Round Table recommends that cities, towns, and regions throughout the province create local Round Tables. These should be fully representative, seek consensus on issues affecting sustainability, and provide advice on local development. Such advice should be integrated into municipal decisions. In order to participate as equals, local people may need access to information and other resources.

3.5 Workplace Round Tables

The Ontario Round Table recommends that joint Round Tables, comprising representatives of management and employees, be set up in workplaces, to ensure the development of a common understanding of opportunities and constraints related to sustainability.

3.6 Self-Government and Sustainability

The Round Table recommends that negotiations on Aboriginal self-government give priority to ensuring that the results contribute to sustainability. The six principles in this strategy, and use of sustainability indicators would be useful in this regard.

3.7 Aboriginal Co-management of Resources

A. The Round Table recommends that Aboriginal First Nations be empowered to document, monitor, and implement their traditional resource use methods to encourage conservation.

B. It further recommends that co-management agreements be fostered between Aboriginal communities and the Government of Ontario, as a method of achieving sustainable development. Similarly, when an Aboriginal land claim has been accepted for negotiation, the Government of Ontario should continue to make interim or other arrangements with the Aboriginal community to ensure responsible management in areas of land identified for possible inclusion in the settlement.

RECOMMENDATIONS FOR ENSURING ACCOUNTABILITY

The Round Table believes the following actions are needed to ensure people and organizations are encouraged to make decisions for sustainability and are held more fully accountable for their decisions.

4.1 Commissioner of Sustainability

The Round Table recommends that the Government of Ontario establish an office of Commissioner of Sustainability, equivalent in stature to the Provincial Auditor. Based on a set of appropriate indicators, the commissioner would report on Ontario's efforts to achieve sustainable development, including the initiatives in this strategy. A commissioner should be appointed by the provincial legislature by 1994 and begin making annual reports to it in 1995. The reports should be timely, thorough, understandable, and authoritative. They should include, among other things, the measurable costs of inaction.

4.2 Cabinet Review

The Round Table recommends that all proposals requiring Cabinet approval be analyzed in terms of their environmental and economic sustainability. The Cabinet Office or other designated agency should also have a mandate to:

- develop, by 1993 and in co-operation with all relevant ministries and Crown agencies, a common set of criteria to be applied to all proposals for new policies and programs, beginning in 1994;
- ensure consistent use of such criteria by all ministries and crown agencies; and
- beginning in 1994, analyze the environmental implications of all provincial budgets, the analysis and budget to be tabled simultaneously.

4.3 Sustainability Strategies

The Round Table recommends that, by 1995, every ministry and Crown agency be required to develop a strategy for sustainable development; this should be done in co-operation with its clients and other stakeholders, should be based on the Round Table strategy, and should include the criteria described earlier. After the strategy has been approved by Cabinet, all new programs, policies, laws, and other activities should comply with it and all existing programs, policies, laws, and other activities should be reviewed for compliance by 1997. Any non-sustainable activities should have specific expiry ("sunset") dates.

4.4 Environmental Committees and Boards

The Round Table recommends that public and private companies establish environmental committees of their boards of directors.

RECOMMENDATIONS FOR DEALING WITH GLOBAL WARMING

Ontario's private and public sectors have already undertaken an impressive array of activities that will substantially reduce emissions of greenhouse gases. Nonetheless, they are expected to fall short of the Canadian government's goal of stabilizing greenhouse gas emissions at 1990 levels by the year 2000 — a goal the Government of Ontario has endorsed. Clearly, more action will be required to improve air quality and protect our climate.

There is a significant body of literature on global warming including a multitude of recommendations. The Round Table has identified a number of priority recommendations for Ontario, organized into eight broad areas.

5.1 Targets

The Round Table recommends the following targets and timetables for reducing greenhouse gas emissions in Ontario:

- Greenhouse gas emissions must be stabilized, then reduced, below the 1990 level by the year 2000. Further research and development on the causes and effects of global warming should also be initiated.
- Carbon dioxide emissions must be reduced 20 per cent by 2005 and between 70 and 80 per cent by 2030.
- An 80 per cent reduction in global emissions from fossil-based fuels is needed by the year 2030 if the composition of the atmosphere is to remain as it is now.

5.2 Energy Production and Distribution

- The Round Table recommends that the Government of Ontario require the Ontario Energy Board (OEB) to adopt a "least cost" planning approach, which means that the most cost-effective mix of energy supply and demand management options be favoured, and that the Government give the OEB authority over electrical utility rates, in order to encourage energy efficiency.

- B. The Round Table recommends that the Government of Ontario institute a system of economic incentives/disincentives to increase the use of renewable biomass energy and promote development of technologies and facilities for non-carbon energy sources such as solar, wind, and hydro-electric.

5.3 Energy Conservation

- A. The Round Table recommends that the Government of Ontario review and revise the provincial building code on a biennial basis, to emphasize more stringent energy conservation.
- B. The Round Table also recommends that the provincial building code be amended to include an R2000 insulation standard for all new residential housing, plus more stringent building and lighting standards for the commercial sector.
- C. The Round Table recommends that the Government of Ontario raise the profile of the *Energy Efficiency Act* and expand its scope to include a variety of residential products not now covered, and that it cover commercial and industrial equipment as well.

5.4 Transportation

- A. The Round Table recommends that the Government of Ontario increase taxes and rebates to purchasers of new vehicles under the Tax for Fuel Conservation ("gas guzzler tax") with taxes and rebates scaled to the fuel efficiency of the vehicle.
- B. The Round Table recommends that the Government of Ontario, in consultation with the petroleum industry, vehicle manufacturers, steel recyclers, and other stakeholders, develop and implement an incentive program for scrapping old vehicles.
- C. The Round Table recommends that the Government of Ontario encourage the Government of Canada to work with vehicle manufacturers to implement a more stringent corporate average fuel consumption standard.
- D. The Round Table recommends that the Government of Ontario, in consultation with farmers and other stakeholders, implement programs to expand the use of Ontario-cultivated ethanol as an octane enhancer in gasoline (as well as encourage other biomass energy applications).

- E. The Round Table recommends that the Government of Ontario develop a province-wide strategy for increasing urban densities, restricting the loss of farm land and natural areas to urban growth and for creating opportunities to live close to work.
- F. The Round Table recommends that the Government of Ontario and of Metropolitan Toronto develop and implement a plan to double public transit ridership in the GTA by the year 2005.
- G. The Round Table recommends that Ontario municipalities introduce more efficient transportation modes including: increased use of high occupancy vehicle lanes; employer-supported van/car pools; tailored parking fees; increased use of public transit, cycling and walking.
- H. The Round Table recommends that the Government of Ontario, in consultation with vehicle manufacturers, the petroleum industry, and other stakeholders, establish in-use vehicle inspection/maintenance/enforcement programs for all transportation modes.

- I. The Round Table recommends that the Government of Ontario, through its procurement practices, favour the use of energy efficient vehicles and vehicles that operate on alternative fuels such as natural gas, ethanol and electricity.

5.5 Industry

- A. The Round Table recommends that the Government of Ontario, in consultation with industry and other stakeholders, develop programs to reduce CO₂ emissions below 1990 levels by the year 2000.
- B. The Round Table recommends that the Government of Ontario, in consultation with Ontario Hydro, a number of energy-intensive industries, and other stakeholders, develop plans for technical and financial assistance to promote energy efficiency.
- C. The Round Table recommends that the Government of Ontario, in consultation with the forest sector and other stakeholders, promote increased forest growth through intensive silviculture, afforestation of treeless areas, improved forest protection and reforestation of harvested forests.

5.6 Controls on non-CO₂ Sources

- A. The Round Table recommends that the Government of Ontario require that CFCs used in the manufacture, service, and disposal of all mobile refrigeration and air conditioning systems, be captured and recycled.

- B. The Round Table recommends that the Government of Ontario begin developing regulations to (a) require owners of large landfills to install methane gas collection and flaring systems; and (b) require that landfills be designed and constructed to maximize the quantity of gas that can be recovered.

- C. The Round Table recommends that the Government of Ontario complete development of a plan for controlling nitrogen oxides and volatile organic compounds (which contribute to low-level ozone formation).

5.7 Market-Based Approaches

The Round Table recommends that the Government of Ontario work with other jurisdictions to implement market-based approaches to reduce CO₂ and other greenhouse gases.

5.8 Adaptation

The Round Table recommends that all governments develop plans for a climate that, despite our best efforts, is changing; this should include selecting appropriate tree species and meeting changing energy demands.